

### ROBERT CHARLES LESSER & CO., LLC

# PREFERRED PLAN LONG BEACH, CALIFORNIA

Prepared for:

**BOEING REALTY CORPORATION** 

December 2003

### Methodology

To meet the stated objective, RCLCo conducted the following methodology:

#### Figure 1

Methodology Flow Chart PacifiCenter Fiscal Impact Analysis

#### Project Analysis Approach:

Apply current tax rate schedules and the City's share to determine revenues generated by each land use.



### DEVIELOPMENT PROGRAM

Incorporate PacifiCenter's development characteristics.

#### Marginal Cost Approach:

Interview the City's Department officials.

#### Average Cost Approach:

Determine costs based on citywide relationships.

#### RECURRING REVENUES

Using the Project Analysis approach, project recurring revenues generated by PacifiCenter's Preferred Plan at full build-out.

### RECURRING EXPENDITURES

Using the Marginal and Average Cost methods, project recurring expenditures generated by PacifiCenter's Preferred Plan at full build-out.

#### NET FISCAL IMPACT

Compare projected revenues and expenditures at full-build-out to determine the net-fiscal impact of PacifiCenter on the City of Long Beach General Fund.

### **Conclusions**

#### Net Fiscal Impact

Under the Preferred Plan, PacifiCenter is anticipated to have an overall positive net fiscal impact on the City of Long Beach General Fund at build-out, ranging from \$3.8 million annually under the Marginal Cost Approach to \$1.5 million per year under the Average Cost Approach (in constant 2003 dollars). (Exhibits I-1 and 1-2)

Figure 2

Net Annual Fiscal Impact at Project Build-Out Preferred Plan, PacifiCenter

CATEGORY	PREFERRED PLAN
ANNUAL REVENUES	\$5,997,000
ANNUAL EXPENDITUIRES	
Marginal Cost Approach	\$2,185,000
Average Cost Approach	\$4,491,000
NET FISCAL IMPACT	
Marginal Cost Approach	\$3,813,000
Average Cost Approach	\$1,506,000

### **PROJECT DESCRIPTION**

#### **Preferred Plan**

Under PacifiCenter's Preferred Plan, Boeing Realty Corporation proposes to develop 3.3 million square feet of commercial office, research and development, light industrial, and retail space plus 400 hotel rooms and 2,500 for-sale and rental residential units. The proposed zoning for the site allows flexibility with respect to the type and distribution of commercial and residential land uses. For the purpose of this analysis, certain assumptions regarding these uses and their distribution between the Cities of Long Beach and Lakewood have been made. Specifically, it has been assumed that 2.9 million square feet of space will be located in the City of Long Beach and 360,000 square feet will be located in the City of Lakewood. Figure 3 provides a summary of the Preferred Plan by land use. (Exhibit I-3)

Figure 3

Preferred Plan, PacifiCenter

	PRE	PREFERRED PLAN							
LAND USE	UNITS/SF/ROOMS	ACRES	MARKET VALUE						
Office	950,000 SF	37.0	\$162.5 MM						
R&D	1,000,000 SF	55.0	\$126.7 MM						
Light Industrial	840,000 SF	30.5	\$65.8 MM						
Retail	150,000 SF	9.0	\$35.2 MM						
Hotel	400 Rooms	3.5	\$41.2 MM						
For-Sale Residential	1,500 Units	75.0	\$479.6 MM						
Rental Apartments	1,000 Units	17.5	\$192.4 MM						
Open Space		10.5	\$0.0 MM						
TOTAL		238.0	\$1,103.3 MM						
Total Space	2,940,000 SF								
Total Rooms	400 Rooms								
Total Units	2,500 Units								

#### **Market Value**

The total market value for PacifiCenter under the Preferred Plan is estimated at \$1,103.3 million (constant 2003 dollars). Residential development represents nearly two-thirds (61%) of the project's market value at \$672.0 million. (Exhibit I-3)

### **Population**

PacifiCenter's Preferred Plan would generate a total of 4,784 new residents at full build-out, representing an average household size of 1.91 residents per unit. The additional population created by these two developments would increase the City's current population, approximately 481,000 residents, by 1.0%. (Exhibit I-4)

### **Infrastructure and Property Owners Association**

Boeing Realty Corporation intends to fund the construction of all street-related improvements (roads, signalization, median, street lighting, signage and landscaping) and public utilities required to create the developable land.

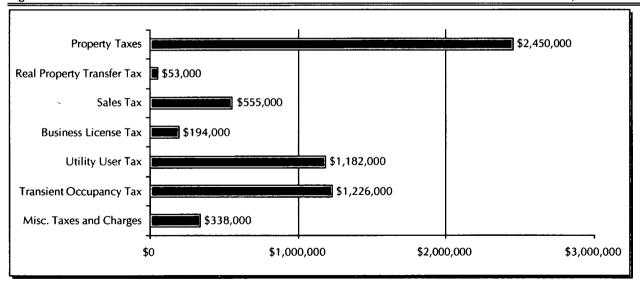
### ANNUAL RECURRING REVENUES

PacifiCenter is expected to generate City General Fund revenues in several categories. They include: Property Tax; Real Property Transfer Tax; Sales Tax; Business License Tax, Utility Users Tax (UUT); Transient Occupancy Tax (TOT); and Miscellaneous Taxes and Charges (Motor Vehicle In-Lieu Fee and Library Penalties).

At full development, the total annual recurring revenues generated to the City of Long Beach by PacifiCenter's Preferred Plan is estimated at \$6.0 million (constant 2003 dollars). Property Taxes, Utility Users Taxes, and Transient Occupancy Taxes comprise the bulk of revenues, representing 41%, 20%, and 20% of revenues, respectively. Figure 4 provides a summary of total revenues by category (Exhibit I-2).



Total Revenues by Category Preferred Plan, PacifiCenter



December 2003

### **Property Tax**

Property Taxes are levied on the assessed value of all real property. The County of Los Angeles collects the tax and then distributes to cities, school districts, and the County. Under Proposition 13, adopted by state voters in 1978, new development is taxed based on total sales price, at a rate of 1.0% of assessed value. From this base assessment, subsequent annual increases are limited to a maximum of 2.0%. Increases to full value occur upon change of ownership or property improvements. Of the 1.0% property tax levy on PacifiCenter, the City of Long Beach would receive 21.8%.

Applying the 1.0% tax levy and the City's 21.8% share results in estimated Property Tax revenues of \$2.5 million (constant 2003 dollars). (Exhibit II-1)

### **Real Property Transfer Tax**

When real property is sold or transferred, the City levies a Real Property Transfer Tax at a rate of \$1.10 per \$1,000 of sales price, and the City's General Fund receives 50% of the tax. For-sale residential is estimated to have a sale or turnover rate of 7%, while for-rent residential and commercial properties are estimated to have a turnover rate of 10%.

On an average annual basis, PacifiCenter is projected to generate \$53,000 in Real Property Transfer Tax (constant 2003 dollars). (Exhibit II-1)

#### **Sales Tax**

The State of California levies sales tax on gross receipts from the sale of tangible property other than property sold for resale. Sales Tax is payable by retailers, both at retail establishments as well as shops and restaurants located at the hotel (assuming a full-service hotel). The City of Long Beach receives Sales Tax revenue equal to 1.0% of total taxable sales.

At build-out, City of Long Beach would receive \$555,000 (constant 2003 dollars). (Exhibit II-2)

#### **Business License Tax**

Business License Taxes are levied on all business establishments located within the City of Long Beach. Businesses must pay a flat annual fee and additional fee per employee. To estimate the number of businesses, RCLCo has assumed average establishment sizes of 5,000 square feet for retail, 10,000 square feet for office, 15,000 square feet for R&D, 20,000 square feet for light industrial, and 400 rooms per hotel establishment.

Based on the above assumptions, PacifiCenter's planned commercial land uses are anticipated to generate annual Business License Tax revenues of \$194,000 (constant 2003 dollars). (Exhibit II-3).

### **Utility Users Tax (UUT)**

From FY1988 through FY2000, the City of Long Beach's Utility Users Tax (UUT) was levied at a rate of 10.0% of revenues for electricity, natural gas, water, and telecommunications. Since then, the City has gradually decreased the UUT rate to its current rate of 6.0%. Effective October 1, 2004, well before build-out of PacifiCenter, the City will levy UUT at a rate of 5.0%.

Utility consumption estimates for electricity, natural gas, and water are based on projections provided by PCR (preparor of PacifiCenter' EIR document) and the South Coast Air Quality Management District CEQA Air Quality Handbook. Annual expenditure for telecommunications among households is based on national consumer expenditure patterns. Annual telecommunications expenditures for commercial uses are based on the proportion of expenditures relative to a business's total gross revenues, based on information from the Federal Communications Commission.

Based on the above assumptions, PacifiCenter is projected to generate annual UUT revenues of \$1.2 million (constant 2003 dollars). (Exhibit II-4)

### **Transient Occupancy Tax (TOT)**

Within the City of Long Beach, the Transient Occupancy Tax (TOT) is levied at a rate of 12.0% of gross receipts from hotel rooms. For PacifiCenter's proposed 400 hotel rooms, RCLCo has assumed an average daily room rate of \$100 per night, based on comparable business-serving hotels in Long Beach, and an occupancy rate of 70%. At build-out, PacifiCenter's planned hotels are anticipated to generate \$1.3 million annually in TOT revenue (constant 2003 dollars). (Exhibit II-5)

### **Miscellaneous Taxes and Charges**

PacifiCenter would also provide additional revenues to the City of Long Beach General Fund through specific Miscellaneous Taxes and Charges. Per discussions with the City of Long Beach, Motor Vehicle In-Lieu Fees and Library Charges would provide additional revenues to the City. (Exhibit II-6)

- Motor Vehicle In-Lieu Fees: A license fee equivalent to 2.0% of the market value of motor vehicles is received from the State annually in lieu of local property taxes, and subsequently transferred to municipalities. Revenues from this category are based on a per capita estimate of \$70 per City of Long Beach resident. PacifiCenter would generate an additional \$336,000 per year (constant 2003 dollars).
- Library Penalties: Library Penalties are based on a per capita estimate of \$0.51 per City of Long Beach resident. Estimated revenues generated by PacifiCenter total \$2,400 (constant 2003 dollars).

The sum of Motor Vehicle In-Lieu Fees and Library Charges generated by PacifiCenter amounts to about \$338,000 annually to the City's General Fund.

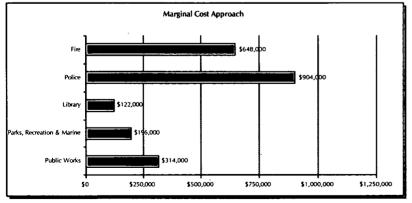
### ANNUAL RECURRING EXPENDITURES

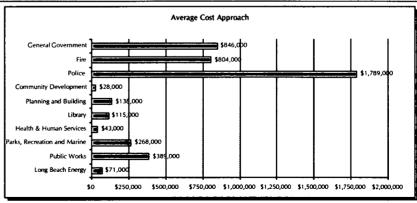
PacifiCenter's commercial and residential land uses will increase the demand for various municipal services, resulting in increased General Fund costs for the City of Long Beach. RCLCo employed two methods to determine annual expenditures to the City generated by the project: Marginal Cost Approach and the Average Cost Approach. Under the Marginal Cost Approach, RCLCo conducted interviews with City department heads to determine the specific costs to each department. Specific departments which would be affected by PacifiCenter include Police; Fire; Library; Parks, Recreation & Marine; and Public Works. Under the Average Cost Approach, RCLCo determined average city-wide per acre and per resident departments costs by analyzing the City's budget and applying those factors to PacifiCenter.

At full development, the total annual recurring expenditures generated by the proposed PacifiCenter development is estimated at \$2.2 million under the Marginal Cost Approach and \$4.5 million under the Average Cost Approach (constant 2003 dollars). Figure 5 provides a summary of annual recurring expenditures by City department under both methods. (Exhibits I-3, III-1 to III-3)

Figure 5

Total Expenditures by Category Preferred Plan, PacifiCenter





Fire

#### **Existing Conditions**

Long Beach Fire Department (LBFD) consists of four bureaus – Administration, Operations, Fire Prevention and Support Services (training, dispatch center, disaster preparedness, etc.). LBFD has a staff of 135 fire suppression and Emergency Medical Training (EMT) personnel per 24-hour shift. The Department has 435 sworn personnel.

Station 19 (3559 Clark Avenue) in Long Beach has the responsibility to provide the primary medical and fire response to the Long Beach portion of the project site. Stations 17 (2241 Argonne Avenue) and 23 (2300 East 27th Street) have the responsibility to provide secondary and tertiary responses, respectively. The area of the project that is in the City of Lakewood would have primary response from LA County Fire.

Available equipment at Station 19 includes an engine company (four-person staff on a 24-hour basis) and rescue vehicle (two-person staff on a 24-hour basis). Station 17 maintains a truck vehicle (ladder) and an engine company (both with four-person staffing on a 24-hour basis).

LBFD has an Automatic Aid Agreement with Los Angeles and Orange Counties where the station closest to the emergency is dispatched. Los Angeles County Station No. 122 (2600 Greenmeadow Road) is the closest to the project site (0.8 mile) and would have, if needed, the first-alarm assignment.

In the past, Boeing maintained its own on-site fire department and the capability to provide first aid emergency treatment. LBFD supplemented Boeing's capability as dictated by the emergency.

#### **Projected Impact**

Marginal Cost Approach. Given the heights of several of the planned rental apartments and commercial buildings at PacifiCenter, LBFD foresees the need for one additional truck company, bringing the City's current inventory of four truck companies to a total of five truck companies. The total annual operating cost of the additional truck company would be \$1.4 million and bring the City's total cost for the five

companies to \$7.0 million per year. In addition to PacifiCenter, this fifth truck company would service other areas of the City. As such, the marginal cost which is attributed to PacifiCenter is calculated based on a pro-rata share of the five truck companies. Based on current acreage distribution and population estimates, the per commercial acre cost is \$376 and \$9 per resident, translating to a total cost of \$95,000 for PacifiCenter.

The incremental increase in service calls would generate additional costs for LBFD's Administration, Operations and Support Service Bureaus. LBFD estimates that an additional 550 calls would be generated by PacifiCenter, based on the Department's current volume for the City of Signal Hill. The Department estimates the support cost for each call at \$1,071. Based on these current relationships and the estimated number of calls at PacifiCenter, the project would generate an additional \$494,000 annually to LBFD's Fire's Administration, Operations and Support Service Bureaus.

Fire Prevention is responsible for code enforcement (monitoring facilities requiring a fire permit), checking new construction (plan review and on-site inspection), and monitoring special events. Typically, office and industrial space requires an annual inspection; residential uses require no annual inspection. LBFD sees the need for a 0.5 Inspector position (full-time equivalent). The fully "loaded" position (salary, benefits, equipment and City administrative support) totals \$110,000 annually. At a 0.5 position, the annual recurring cost is \$55,000.

In sum, the total marginal cost for LBFD is \$648,000. (Exhibits III-1 and III-2)

Average Cost Approach: The FY2003 Budget allocates \$63.8 million to the Fire Department. Using the current acreage distribution within the City of Long Beach, approximately \$3,400 is attributed to each commercial acre within the City of Long Beach. The per resident cost is \$80.

PacifiCenter's Preferred Plan is expected to develop approximately 138 acres of commercial land and 100 acres of residential land which would yield 4,784 residents. Using the cost factors above, the estimated LBFD costs associated with PacifiCenter would total approximately \$804,000 (constant 2003 dollars). (Exhibit III-3)

**Police** 

#### **Existing Conditions**

Long Beach Police Department (LBPD) consists of 908 sworn officers, creating a population ratio of 1.96 officers per 1,000. The City strives for a ratio of two officers per 1,000, which is the national average.

LBPD responds to calls for service from four police substations (North, East, South and West). The East Police Substation (4800 Los Coyotes Diagonal) has the primary responsibility to serve the PacificCenter. This substation serves the area bounded by the city limits on the north and east, the Pacific Ocean on the south, and Cherry Avenue on the west. The service area of the East Substation is geographically divided and patrolled in 10 beats. The East Substation has a staff of 94 sworn officers and five non-sworn officers which includes supervisors, sworn administrative staff, patrol beat officers and community policing officers.

In FY2000, the East Substation handled approximately 92,000 calls for services within its boundaries. Of this total, over 5,300 were classified as Part I crimes (the most serious crimes including homicide, rape, robbery, assault, burglary, larceny and auto theft). The balance of the calls were classified as Part II crimes (includes malicious mischief, suicide attempts, accidental injuries, accidental deaths, missing persons, and other events).

In the past, the on-site aircraft manufacturing rarely generated calls for service.

#### **Projected Impact**

Marginal Cost Approach: The Police Department envisions that the projected multi-use development at PacifiCenter would generate increased calls for service involving both emergency and non-emergency calls. The Department believes that the increased demand for police calls can be measured in financial

terms by the application of the officer to population service ratio of two officers per 1,000 and the associated equipment and overhead associated with the additional staffing.

The Department forecasts the need for eight sworn officers and one sergeant. Of the eight sworn officers, two would be motorcycle officers. Total annual costs for additional police personnel are as follows: officer, \$84,000; motorcycle officer, \$84,000; and sergeant, \$98,000. These costs represent fully "loaded" positions (salary, benefits, intra-departmental support, and City administrative support).

Additional sworn officers would require police vehicles ("black & whites") equivalent to one police vehicle per 2.5 officers. The projected six officers in effect would require the equivalent of 2.4 vehicles. The cost of a fully-equipped police vehicle is \$44,000 with replacement every four years. Annual maintenance per police vehicle is \$11,000.

The police sergeant requires one fully-equipped vehicle costing \$87,600 with replacement every four years. Annual maintenance for the vehicle is \$17,400.

The two motorcycle officers require fully-equipped motorcycles costing \$26,100 each with replacement every five years. Annual maintenance per motorcycle is \$10,800.

In addition, Police would require two additional bicycles at \$1,500 each with replacement every four years.

Each police and motorcycle officer requires a hand-held radio. Cost per radio is \$2,580; annual maintenance cost per radio is \$500 (\$42 per month).

Given the above staffing needs and associated equipment costs, PacifiCenter's increased demand for Police services under the Preferred Plan would total \$904,000 per year at full development. The components of these costs are as follows: staffing, \$770,000; annual maintenance of vehicles and equipment, \$69,000; and capital outlay (annualized to reflect asset life), \$65,000. (Exhibit III-1)

Average Cost Approach: The FY2003 Budget allocates \$142.0 million to the Police Department. Using the current acreage distribution within the City of Long Beach, approximately \$7,600 is attributed to each commercial acre within the City of Long Beach. The per resident cost is \$178.

PacifiCenter's Preferred Plan is expected to develop approximately 138 acres of commercial land and 100 acres of residential land which would yield 4,784 residents. Using the cost factors above, the estimated Police Department costs associated with PacifiCenter would total approximately \$1.8 million (constant 2003 dollars). (Exhibit III-3)

Library

#### **Existing Conditions**

The City's library system consists of one main library and 11 neighborhood libraries. The Main Library is located in Downtown Long Beach adjoining the City Hall. The 11 neighborhood libraries serve the local areas, typically within a one-mile radius of the library.

The Ruth Bach Neighborhood Library (4055 Bellflower Boulevard) is approximately one mile from PacifiCenter. Key characteristics of this library are as follows: 1) occupies a 7,000-square foot facility; 2) maintains a collection (books, tapes, videos, etc.) of 46,597 titles; 3) operates with 5.9 personnel (full-time equivalent); 4) serves a neighborhood population of about 30,000; and 5) is open 34 hours per week. Residents can access books and other materials available at other City libraries via the Ruth Bach Library. Currently, no plans exist to expand the Bach Library.

The County of Los Angeles also maintains libraries near PacifiCenter. These include the recently renovated Angelo M. Iacoboni Library in Lakewood (4990 Clark Avenue, about one mile northeast of the project) and George Nye, Jr. Library also in Lakewood (6600 Del Amo Boulevard, within two miles of the project). These two libraries have a combined collection of nearly 320,000 titles.

#### **Projected Impact**

Marginal Cost Approach: The Library Department envisions that the projected residents at PacifiCenter would generate increased demand for library services at the Ruth Bach Library. The Department states that increased library usage of the Ruth Bach Library by PacifiCenter residents would be equivalent to the percentage relationship between PacifiCenter's residential population and the existing Ruth Bach Library neighborhood population of 30,000. The assumption here is that PacifiCenter residents are as likely to use the Ruth Bach Library as existing residents.

The fully loaded operations costs (salary, benefits, intra-departmental support, and City administrative support) for the Ruth Bach Library are \$608,000. One-time cost impacts include the cost to expand the collection at the Ruth Bach Library to accommodate the PacifiCenter resident population. The cost factors entail: 1) 2.1 items per capita; and 2) \$30 per adult title.

PacifiCenter's anticipated residential population would augment the Ruth Bach Library neighborhood population base by 15% and commensurately raise the demand for library services. This increased load on the library expressed in financial terms would generate an increase of \$91,000 per year.

Assuming a ten-year life for the expanded collection at Ruth Bach Library to accommodate the PacifiCenter resident population, the annualized capital outlay would be \$32,000.

Children's programming provided by the Ruth Bach Library would be unaffected by the PacifiCenter resident population.

Daytime workers at PacifiCenter are expected to place an insignificant demand on library resources. The expectation is that professional daytime workers would solve their research needs by in-house or on-line reference resources.

The Library Department expects that PacifiCenter's resident population demand on the City's library system beyond the Ruth Bach Library would be negligible. The reasons are that most of PacifiCenter's impact has been already measured by the preceding Ruth Bach Library analysis and that PacifiCenter's

population impact is negligible, representing about one percent of the City's current population. (Exhibit III-1)

Average Cost Approach: The FY2003 Budget allocates \$11.4 million to the Library Department. The per resident cost is \$24. Given Library's services are primarily oriented to residents and not workers, the commercial acres at PacifiCenter would not generate an impact to the department.

PacifiCenter's Preferred Plan is expected to yield approximately 4,784 residents. Using the per capita cost factor above, the estimated Library Department costs associated with PacifiCenter would total approximately \$115,000 (constant 2003 dollars). (Exhibit III-3)

#### Parks, Recreation & Marine

#### **Existing Conditions**

The City of Long Beach Department of Parks, Recreation and Marine (LBDPRM) operates a diverse system of public recreation facilities. Total open space acreage amounts to 2,664 distributed as follows: 1,476 acres of parkland, 568 acres of public golf courses, 247 acres of public beaches and 373 acres used for recreational boating.

Within a one-mile radius of the project site are several parks and recreational facilities. They include: Skylinks Golf Course (18 holes); Veterans Memorial Stadium at Long Beach Community College; Wardlow Park (14.5-acre neighborhood park); Pan American Park (12.3-acre neighborhood park); Somerset Park (neighborhood park); and Heartwell Park (122.5 acres featuring an 18-hole golf course, lake, and various fields for soccer and baseball).

#### **Projected Impact**

Marginal Cost Approach. The developer expects to form a Property Owners Association that will fund the operation and management of all on-site recreation. For that reason, the Department reports that it would

not incur any costs with regard to the operation and maintenance of the proposed open space and recreation.

Discussions with the Recreation Bureau of LBDPRM reveal that the new PacifiCenter residents would likely add to the demand for fully utilized program space at nearby Wardlow, Heartwell, and Pan American Parks. Given the young adult orientation of the proposed PacifiCenter residents, the expectation is that these new residents would have some impact on participation levels. This condition will be partially mitigated by the 10.5 acres of parks and open space proposed for PacifiCenter.

The Recreation Bureau suggests that a good indicator of possible budget impact is the current city-wide per capita cost, estimated at roughly \$41 per Long Beach resident, which includes Recreation Services (\$22 per resident), Maintenance Operations (\$12 per resident), and Department Support (\$7 per resident). On this basis, the cost impacts of PacifiCenter's Preferred Plan is \$196,000 (constant 2003 dollars).

These cost impacts may be interpreted as high estimates, as neighborhood residents would be able to use PacifiCenter's public spaces and PacifiCenter residents would have access to a variety of on-site recreation amenities that would reduce the need to use off-site public facilities. (Exhibit III-1)

Average Cost Approach: The FY2003 Budget allocates \$27.0 million to LBDPRM. The per resident cost is \$56. Given LBDPRM's services and programs are primarily oriented to residents, commercial acres at PacifiCenter would not generate an impact to the department.

PacifiCenter's Preferred Plan is expected to yield approximately 4,784 residents. Using the per capita cost factor above, the estimated LBDPRM costs associated with PacifiCenter would total approximately \$268,000 (constant 2003 dollars). (Exhibit III-3)

#### **Public Works**

#### **Existing Conditions**

The Department of Public Works consists of five bureaus. They include: Public Service (maintenance of city infrastructure), Traffic & Transportation (signalization and street markings), City Engineer (design and consultant overview), Airport, and Administration & Planning. The Department maintains 950 lineal miles of street in the City of Long Beach

#### **Projected Impact**

Marginal Cost Approach: PacifiCenter will fund all street improvements, signalization, signs, and streetlights. Public Works envisions operating cost impacts in several Department functions, including street maintenance, street painting, sidewalk maintenance, signalization, street lights, and street signage.

Decorative street maintenance has an annual cost of \$0.168 per square foot, which represents a 20% higher cost in comparison to regular street maintenance. PacifiCenter has 557,400 square feet of street area for the proposed residential land uses and 538,365 square feet of street area for the commercial areas of the project, for a project total of 1,095,765 square feet.

Street painting costs are \$0.33 per square foot of painted lines with a two-year lifespan and \$1.00 per square foot for thermoplastic with a six-year lifespan. PacifiCenter has 34,686 square feet of painted area in the residential portions of the project and 19,052 square feet of painted area for commercial uses, for a total of 53,738 square feet.

Sidewalk maintenance costs are \$0.28 per square foot per year. PacifiCenter has a total of 255,750 square feet of sidewalks (residential areas have 139,000 square feet and commercial areas have 116,750 square feet).

Signalization costs would be incurred for three new four-way signalized intersections (two on-site, one off-site) and two existing intersections that would be modified. Each intersection signal has a 30-year

lifespan. Annual costs include \$2,000 per light for maintenance, \$1,000 per light for power, plus \$56 in energy costs for safety lighting.

Street lights costs are \$42 per light per year plus \$56 per year in energy costs. The replacement cost for street lights is \$1,500 and each light has a lifespan of 40 years. PacifiCenter will have a total of 154 street lights.

Street signage maintenance costs for 380 stop and traffic signs are \$100 per sign and post, each with a 10-year lifespan.

Based on the above cost inputs, PacifiCenter would have an annual cost impact of \$314,000 to Public Works. (Exhibit III-1)

Average Cost Approach: The FY2003 Budget allocates \$30.7 million to Public Works. Using the current acreage distribution within the City of Long Beach, approximately \$1,700 is attributed to each commercial acre within the City of Long Beach. The per resident cost is \$39.

Using the cost factors above, the estimated Public Works costs associated with PacifiCenter totals approximately \$389,000 (constant 2003 dollars). (Exhibit III-3)

### Other Departments

Average Cost Approach: Although the remaining City departments would not be impacted by PacifiCenter under the Marginal Cost Approach, the costs to these departments are considered under the Average Cost Approach. The City departments are as follows: (Exhibit III-3)

General Government: The FY2003 Budget allocates \$67.2 million to General Government functions, which includes Mayor and Council, City Prosecutor, City Manager, City Attorney, City Auditor, Civil Service, Financial Management, Interfund and Non-Operating, Police and Fire Pension Fund, Human Resources, and Technology. Using the current acreage distribution within the City of Long Beach,

approximately \$3,600 is attributed to each commercial acre within the City of Long Beach. The per resident cost is \$84. Based on these cost factors, the estimated General Government cost associated with PacifiCenter is approximately \$846,000 (constant 2003 dollars).

- Community Development: The estimated Community Development costs associated with PacifiCenter is \$28,000 (constant 2003 dollars). Based on the FY2003 Budget allocation of \$2.1 million, approximately \$112 of Community Development costs are attributed to each commercial acre and \$3 of costs are assigned per resident.
- Planning and Building: The FY2003 Budget allocates \$10.8 million to Planning and Building.
  Approximately \$582 is attributed to each commercial acre within the City of Long Beach. The per
  resident cost is \$14. Based on these cost factors, the estimated Planning and Building cost associated
  with PacifiCenter is approximately \$138,000 (constant 2003 dollars).
- Health and Human Services: The estimated Health and Human Services cost associated with PacifiCenter is \$43,000 (constant 2003 dollars). Based on the FY2003 Budget allocation of \$4.5 million, approximately \$9 of Health and Human Services costs is attributed to each City resident. Given Health and Human Services is primarily oriented to residents and not workers, the commercial acres at PacifiCenter would not generate an impact to the department.
- Long Beach Energy: The FY2003 Budget allocates \$5.7 million to Long Beach Energy. Approximately \$307 is attributed to each commercial acre within the City of Long Beach. The per resident cost is \$7. The estimated Long Beach Energy cost associated with PacifiCenter is approximately \$71,000 (constant 2003 dollars).

### **GENERAL LIMITING CONDITIONS**

The conclusions and recommendations presented in this report were based on our analysis of the information available to us from our own sources and from Boeing Realty Corporation as of November 2003. Given that the proposed concept and development plan for PacifiCenter may undergo further refinement, the development program presented and analyzed in this study is based on current estimates and best assumptions at this time. This analysis also assumes that prices, absorption rates, and other market assumptions upon which this report is based will hold true in the foreseeable future. We assume that existing fiscal relationships within the General Fund will continue into the future.

Every reasonable effort has been made to insure that the data contained in this study reflect the most accurate and timely information possible and it is believed to be reliable. This study is based on estimates, assumptions and other information developed by RCLCo from its independent research effort, general knowledge of the industry and consultations with the Client and its representatives. No responsibility is assumed for inaccuracies in reporting by the Client, its agent and representatives or any other data source used in preparing or presenting this study. This report is based on information that was current as of the November 2003, and RCLCo has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates or opinions that represent our view of reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report and the variations may be material. Therefore, no warranty or representation is made by RCLCo that any of the projected values or results contained in this study will actually be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co., LLC" or "RCLCo" in any manner without first obtaining the prior written consent of RCLCo. No abstracting, excerpting or summarization of this study may be made without first obtaining the prior written consent of RCLCo. This report is not to be used in conjunction with any public or private

offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the Client without first obtaining the prior written consent of RCLCo. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCo.

This engagement was conducted by Robert J. Gardner, Managing Director, and Malee C. Tobias, Senior Consultant. If you have any questions regarding the conclusions and recommendations included herein, or wish to learn about other RCLCo advisory services, please call (310) 914-1800.



### **EXECUTIVE SUMMARY**

### **Background**

Boeing Realty Corporation proposes to develop PacifiCenter, a 261-acre, multi-use, master-planned development located on Boeing landholdings in Long Beach. Approximately 238 acres of the project site is located within the City of Long Beach and 23 acres are located within the City of Lakewood. PacifiCenter's Preferred Plan calls for the development of 3.3 million square feet of commercial office, research and development, light industrial, and retail space plus 400 hotel rooms and 2,500 for-sale and rental residential units. The proposed zoning for the site allows flexibility with respect to the type and distribution of commercial and residential land uses. For the purpose of this analysis, certain assumptions regarding these uses and their distribution between the Cities of Long Beach and Lakewood have been made. Specifically, it has been assumed that 2.9 million square feet of space will be located in the City of Long Beach and 360,000 square feet will be located in the City of Lakewood.

Boeing Realty Corporation engaged Robert Charles Lesser & Co., LLC (RCLCo) to determine the fiscal impact of the Preferred Plan on the City of Long Beach's General Fund. With this knowledge, both the Developer and the City may understand the fiscal implications of a development of this magnitude on the City's public services.

### **Objective**

The objective of this assignment is to determine the net fiscal impact of PacifiCenter's Preferred Plan on the City of Long Beach's General Fund at full build-out. For purposes of this report, RCLCo defines *fiscal impact* as the direct, incremental effect that the development would have on the recurring annual revenues and expenditures of the City's General Fund. This fiscal analysis builds on the existing cost and revenue relationships prevalent in the City's current General Fund.

**EXHIBITS** 

#### Exhibit I-1

#### NET ANNUAL FISCAL IMPACT AT FULL BUILD-OUT PACIFICENTER, LONG BEACH DECEMBER 2003

DEVELOPMENT	PROPOSED DE	VELOPMENT	
SCENARIO	RESIDENTIAL	COMMERCIAL	TOTAL
PREFERRED PLAN			
Revenues	\$2,128,919	\$3,868,694	\$5,997,613
Expenditures	• •		
Marginal Cost Approach	\$1,656,152	\$528,952	\$2,185,104
Average Cost Approach	\$2,363,296	\$2,127,884	\$4,491,180
Net Fiscal Impact			
Marginal Cost Approach	\$472,767	\$3,339,742	\$3,812,509
Average Cost Approach	(\$234,377)	\$1,740,810	\$1,506,433

SOURCE: Robert Charles Lesser & Co., LLC

Exhibit I-2

## SUMMARY OF PROJECTED ANNUAL RECURRING REVENUES AND EXPENDITURES -- AT FULL BUILD-OUT PACIFICENTER, LONG BEACH DECEMBER 2003

	PREFERRED PLAN							
	PROPOSED DEVELOPMENT							
CATEGORY	RESIDENTIAL	COMMERCIAL	TOTAL	TOTAL				
REVENUES				is and a section of the section of t				
Property Taxes 1/	\$1,464,906	\$985,127	\$2,450,033	41%				
Real Property Transfer Tax 1/	\$29,045	\$23,721	\$52,766	1%				
Sales Tax 2/	\$0	\$555,168	\$555,168	9%				
Business License Tax 3/	\$0	\$193,506	\$193,506	3%				
Utility User Tax 4/	\$296,750	\$884,772	\$1,181,522	20%				
Transient Occupancy Tax 5/	\$0	\$1,226,400	\$1,226,400	20%				
Misc. Taxes and Charges 6/	\$338,219	\$0	\$338,219	6%				
TOTAL ANNUAL	<del></del>			· · · ·				
RECURRING REVENUES	\$2,128,919	\$3,868,694	\$5,997,613	100%				
PERCENT DISTRIBUTION	35%	65%	100%					

	PREFERRED PLAN							
* * *	PROPOSED DI		% OF					
CATEGORY	RESIDENTIAL	COMMERCIAL	TOTAL	TOTAL				
EXPENDITURES – MARGINAL COS								
Fire	\$272,356	\$375,852	\$648,208	30%				
Police	\$904,050	\$0	\$904,050	41%				
Library	\$122,400	\$0	\$122,400	6%				
Parks, Recreation & Marine	\$196,144	\$0	\$196,144	9%				
Public Works	\$161,202	\$153,100	\$314,302	14%				
TOTAL ANNUAL								
RECURRING EXPENDITURES	\$1,656,152	\$528,952	\$2,185,104	100%				
PERCENT DISTRIBUTION	76%	24%	100%					

Exhibit 1-2

## SUMMARY OF PROJECTED ANNUAL RECURRING REVENUES AND EXPENDITURES – AT FULL BUILD-OUT PACIFICENTER, LONG BEACH DECEMBER 2003

	PREFERRED PLAN								
	PROPOSED DEVELOPMENT								
CATEGORY	RESIDENTIAL	COMMERCIAL	TOTAL	TOTAL					
CYPENIDITIURE AVERACE COST	ADDDO AGU SI		e e e e e e e e e e e e e e e e e e e						
EXPENDITURES – AVERAGE COST									
General Government	\$401,856	\$443,893	\$845,749	19%					
Fire	\$382,720	\$421,182	. \$803,902	. 18%					
Police	\$851,552	\$937,315	\$1,788,867	40%					
Community Development	\$14,352	\$13,702	\$28,054	1%					
Planning and Building	\$66,976	\$71,454	\$138,430	3%					
Library	\$114,816	\$0	\$114,816	3%					
Health & Human Services	\$43,056	\$0	\$43,056	1%					
Parks, Recreation and Marine	\$267,904	• \$0	\$267,904	6%					
Public Works	\$186,576	\$202,666	\$389,242	9%					
Long Beach Energy	\$33,488	\$37,672	\$71,160	2%					
TOTAL ANNUAL			<del></del> -						
RECURRING EXPENDITURES	\$2,363,296	\$2,127,884	\$4,491,180	100%					
PERCENT DISTRIBUTION	. 53%	47%	100%						

<sup>1/</sup> See Exhibit II-1.

<sup>2/</sup> See Exhibit II-2.

<sup>3/</sup> See Exhibit II-3.

<sup>4/</sup> See Exhibit II-4.

<sup>5/</sup> See Exhibit II-5.

<sup>6/</sup> See Exhibit II-6. Includes Motor Vehicle In-Lieu Fee and Library Penalties.

<sup>7/</sup> See Exhibit III-1 for Expenditures, Marginal Cost Approach.

<sup>8/</sup> See Exhibits III-3 for Expenditures, Average Cost Approach.

SOURCE: Robert Charles Lesser & Co., LLC

Exhibit I-3

## SUMMARY OF DEVELOPMENT CHARACTERISTICS PACIFICENTER, LONG BEACH DECEMBER 2003

WELCHULENT BROCK AND I		<b>TOT</b> .	•		DENCITY / F A D			70711	
VELOPMENT PROGRAM / DISTRICT / LAND USE 1/	ACRES	TOTA UNITS	ROOMS	SO ET	RANGE	NSITY / F.A.R TYPICAL	HEIGHT	TOTAL POPULATION	MARKET VALUE 2
DISTRICT / LAND USE 1/	ACKES	UNIIS	KOOMS	SQ. FT.	KANGE	TYPICAL	HEIGHT	POPULATION	VALUE 2
EFERRED PLAN									
RESIDENTIAL DISTRICT	•			4					
FOR-SALE		•.	•						
Single-Family Detached	19.0	200	_		6-12 du/ac	11 du/acre	2-3 Stories	598	\$92,000,00
Townhomes	20.0	360	· –	_	14-20 du/ac	18 du/acre	2-3 Stories	763	\$136,800,00
Townhomes/Flats	24.0	560	· _	_	16-24 du/ac	23 du/acre	2-3 Stories	980	\$159,600,00
Condominiums	12.0	380	· <del></del>	· _	25-50 du/ac	32 du/acre	3-4 Stories	593	\$91,200,00
TOTAL FOR-SALE	75.0	1,500	·	_	-	· · · · · -	_	-	\$479,600,00
RENTAL APARTMENTS	17.5	1,000	. · -	· _	40-60 du/ac	⁻ 57 du/acre	3-5 Stories	1,850	\$192,375,00
RESIDENTIAL SUBTOTAL	92.5	2,500	_	, –		27 du/acre	_	_	
Open Space	7.5	-	_	_	_	. –	· _	_	
TOTAL RESIDENTIAL DISTRICT	100.0	2,500						4,784	\$671,975,00
			•			•		•	
COMMERCIAL DISTRICT			•						
Office	37.0	. ` -	·	950,000	0.40 - 1.50	0.59	3-8 Stories		\$162,450,00
R&D	55.0		· _	1,000,000	0.35 - 0.55	0.42	1-3 Stories	_	\$126,666,70
Light Industrial/Distribution 3/	30.5	_	· -	840,000	0.40 - 0.75	0.63	1-2 Stories	_	\$65,835,00
COMMERCIAL SUBTOTAL	122.5	_	_	2,790,000		0.52	-	_	
Retail	9.0	<u>.</u>	_	150,000	_	0.38	_		\$35,150,00
Hotel	3.5		400		_	2.43		_ <del>_</del>	\$41,185,10
Open Space	3.0	_	_					_	
TOTAL COMMERCIAL DISTRICT	138.0	0.0	400	2,940,000	;				. \$431,286,80
PROJECT TOTAL	238.0	2,500	400	2,940,000		. *		4,784	\$1,103,261,80

<sup>1/</sup> Distribution of uses is for study purposes only. Proposed zoning will allow flexibility within commercial and residential zones.

SOURCE: Boeing Realty Corporation; McLarand Vasquez Emsiek & Partners; Robert Charles Lesser & Co., LLC

1 Preferred Plan 12.03 Exhibit I-3

<sup>2/</sup> See Exhibit I-5 for market values for for-sale residential. See Exhibit I-6 for market values for rental apartments and commercial uses.

<sup>3/</sup> Excludes 23 acres of Light Industrial within the City of Lakewood. Total commercial space in the project including space located in the City of Lakewood is expected to be 3.3 million square feet.

Exhibit I-4

## PROJECTED POPULATION -- FULL BUILD-OUT PACIFICENTER, LONG BEACH DECEMBER 2003

SCENARIO/ PRODUCT TYPE		TOTAL UNITS	AVERAGE HOUSEHOLD SIZE 1/	POPULATION
PREFERRED PLAN				
FOR-SALE	• •	•		•
Single-Family Detached	*	200	2.99	598
Townhomes	•	360	2.12	763
Townhomes/Flats	Ç.	560	1.75	980
Condominiums	<b>.</b>	380	1.56	593
RENTAL		1,000	1.85	1.850
TOTAL		2,500	1.91	4,784

1/ Based on RCLCo analysis of U.S. Census Bureau household size by unit type. SOURCE: U.S. Census Bureau; Robert Charles Lesser & Co., LLC

#### Exhibit I-5

## PROJECTED MARKET VALUE – FOR-SALE RESIDENTIAL PACIFICENTER, LONG BEACH DECEMBER 2003

,		, .	,			
SCENARIO/ PRODUCT TYPE	TOTAL UNITS	AVER SIZE			AVG. SALE PRICE/UNIT (2003 \$)	PROJECTED MARKET VALUE (2003 \$)
	(1)	7 (77) (A. 14 (78) (A. 14	A STATE OF THE STA			
PREFERRED PLAN						
Single-Family Detached	200	. 2	,000 400,000	\$230	\$460,000	\$92,000,000
Townhomes	360	· 1	,600 576,000	\$238	\$380,000	\$136,800,000
Townhomes/Flats	560	. 1	,280 716,800	\$223	\$285,000	\$159,600,000
Condominiums	380	1	,200 456,000	\$200	\$240,000	\$91,200,000
TOTAL	1,500	. 1	,433	\$221		\$479,600,000

1/ Average sales price per square foot for all products except condominiums per Standard Pacific Housing. Condominium sales price per Boeing Realty. SOURCE: Boeing Realty Corporation; Standard Pacific Homes; Robert Charles Lesser & Co., LLC

Exhibit 1-6

## PROJECTED MARKET VALUE – APARTMENTS, RETAIL, OFFICE, R&D, INDUSTRIAL, AND HOTEL PACIFICENTER, LONG BEACH DECEMBER 2003

SCENARIO/ PRODUCT TYPE	FLOOR AREA/ UNITS/ ROOMS	ANNUAL RENT/SQ. FT/ ADR 1/	GROSS RENT/ROOM REVENUES	LESS: VACANCY/ COLLECTION 2/	OTHER REVENUES 3/	EFFECTIVE GROSS INCOME	LESS: DEPARTMENT EXPENSES 4/	LESS: OPERATING EXPENSES 5/	NET OPERATING INCOME	TOTAL MARKET VALUE	VALUE/SF/
PREFERRED PLAN			•								
Apartments 6/	1,000	\$24.00	\$21,600,000	(\$1,080,000)	•	\$20,520,000		(\$5,130,000)	\$15,390,000	\$192,375,000	\$186
Office	950,000	\$16.20	\$15,390,000	(\$769,500)		\$14,620,500			\$14,620,500	\$162,450,000	
R&D	1,000,000	\$12.00	\$12,000,000	(\$600,000)		\$11,400,000		-	\$11,400,000	\$126,666,700	
Light Industrial	840,000	\$6.60	\$5,544,000	(\$277,200)	•	\$5,266,800		\$0	\$5,266,800	\$65,835,000	
Retail	150,000	\$22.20	\$3,330,000	(\$166,500)	-	\$3,163,500		\$0	\$3,163,500	\$35,150,000	
Hotel	400	\$100.00	\$14,600,000	(\$4,380,000)	\$5,033,731	\$15,253,731	(\$6,101,493)	(\$5,033,731)	\$4,118,507	\$41,185,100	
TOTAL										\$623,661,800	

ASSUMPTIONS	Monthly Rent/SF	Vacancy				CAP Rate
Apartment	\$2.00	5.0%		•	25%	8.0%
Office (NNN)	\$1.35	5.0%	•		0%	9.0%
R&D (NNN)	\$1.00	5.0%			0%	9.0%
Light Industrial (NNN)	\$0.55	5.0%		•	0%	8.0%
Retail (NNN)	\$1.85	5.0%			0%	9.0%
Hotel (ADR)	\$100.00	30.0%	33%	40%	33%	10.0%

<sup>1/</sup> Rent figures for Office, R&D, Light Industrial, and Retail per broker discussions. Apartment rent and hotel ADR per RCLCo (assumes a full service hotel).

<sup>2/</sup> Vacancy allowance estimated at 5%; 30% for hotel (assumes 70% average occupancy).

<sup>3/</sup> Other Revenues (Food and Beverage, Telecommunications, Other Operated Departments, Rentals and Other Income) for a full-service hotel, per PKF Consulting industry statistics. Represents ratio to total hotel revenues.

<sup>4/</sup> Departmental Expenses for a full-service hotel, per PKF Consulting industry statistics. Represents ratio to effective gross income.

<sup>5/</sup> Operating Expenses per RCLCo. Hotel Operating Expenses per PKF.

<sup>6/</sup> For Apartments, assumes average unit size of 1,035 square feet.

SOURCE: Boeing Realty Corporation; CB Richard Ellis; Pacific Retail Partners; PKF Consulting, "Trends in the Hotel Industry, USA"; Robert Charles Lesser & Co., LLC

#### Exhibit II-1

## PROJECTED PROPERTY TAX AND PROPERTY TRANSFER TAX REVENUE PACIFICENTER, LONG BEACH DECEMBER 2003

VALUE 1/	TOTAL	CITY SHARE		TURNOVER RATE		CITY CITABLE
·					trans representation and according	CITY SHARE
	1.0%	21.8%		Residential - For-Sale	7.0% 10.0%	\$0.55, per \$500 of value 50% to the City
•		•				so to the city
\$479,600,000	\$4,796,000	\$1,045,528				\$18,465
\$192,375,000	\$1,923,750	\$419,3 <i>7</i> 8			·	\$10,581
\$162,450,000	\$1,624,500	\$354,141			•	\$8,935
\$126,666,700	\$1,266,667	\$276,133				\$6,967
. \$65,835,000	\$658,350	\$143,520		•		\$3,621
\$35,150,000	\$351,500	\$76,627				\$1,933
\$41,185,100	\$411,851	\$89,784			•	\$2,265
\$20,606,327	\$206,063	\$44,922		•		
\$1,123,868,127	\$11,238,681	\$2,450,033		£.	. [	\$52,766
	\$192,375,000 \$162,450,000 \$126,666,700 \$65,835,000 \$35,150,000 \$41,185,100 \$20,606,327	\$192,375,000 \$1,923,750 \$162,450,000 \$1,624,500 \$1,266,667 \$65,835,000 \$658,350 \$35,150,000 \$41,185,100 \$411,851 \$20,606,327 \$206,063	\$192,375,000 \$1,923,750 \$419,378 \$162,450,000 \$1,624,500 \$354,141 \$126,666,700 \$1,266,667 \$276,133 \$65,835,000 \$658,350 \$143,520 \$35,150,000 \$351,500 \$76,627 \$41,185,100 \$411,851 \$89,784 \$20,606,327 \$206,063 \$44,922	\$192,375,000 \$1,923,750 \$419,378 \$162,450,000 \$1,624,500 \$354,141 \$126,666,700 \$1,266,667 \$276,133 \$65,835,000 \$658,350 \$143,520 \$35,150,000 \$351,500 \$76,627 \$41,185,100 \$411,851 \$89,784 \$20,606,327 \$206,063 \$44,922	\$192,375,000 \$1,923,750 \$419,378 \$162,450,000 \$1,624,500 \$354,141 \$126,666,700 \$1,266,667 \$276,133 \$65,835,000 \$658,350 \$143,520 \$35,150,000 \$351,500 \$76,627 \$41,185,100 \$411,851 \$89,784 \$20,606,327 \$206,063 \$44,922	\$479,600,000 \$4,796,000 \$1,045,528 \$192,375,000 \$1,923,750 \$419,378 \$162,450,000 \$1,624,500 \$354,141 \$126,666,700 \$1,266,667 \$276,133 \$65,835,000 \$658,350 \$143,520 \$35,150,000 \$351,500 \$76,627 \$41,185,100 \$411,851 \$89,784 \$20,606,327 \$206,063 \$44,922

<sup>1/</sup> See Exhibit I-5 for residential market values and Exhibit I-6 for commercial market values.

<sup>2/</sup> Applies 1% property tax levy on total assessed value. City receives 21.8% of 1% assessment by the County.

<sup>3/</sup> Assessed at \$0.55 per \$500 of sales price of real property, of which the City receives \$0.275 (50%). Assumes 7% of for-sale homes turnover annually, based on the American Housing Survey for Los Angeles County (1999). Assumes 10% of commercial properties turnover on an annual average basis.

<sup>4/</sup> For FY2002, unsecured property represented 4.56% of total City-wide assessed valuation (unsecured property is generally associated with commercial uses).

SOURCE: Department of Financial Management, City of Long Beach; U.S. Census Bureau; Boeing Realty Corporation; Robert Charles Lesser & Co., LLC

#### Exhibit II-2

#### PROJECTED SALES TAX REVENUE PACIFICENTER, LONG BEACH DECEMBER 2003

SCENARIO/ LAND USE	N. C.	FLOOR AREA (SF)	AVERAGE OCCUPANCY	SALES PER SF	TAXABLE SALES	CITY SHARE 1/
PREFERRED PLAN						1.00%
Retail		150,000	95%	\$350	\$49,875,000	\$498,750
SCENARIO/ LAND USE			TOTAL HOTEL REVENUE (LESS VACANCY)	OTHER HOTEL REVENUES (% OF TOTAL) 2/	TOTAL OTHER HOTEL REVENUES 3/	CITY SHARE 1/
PREFERRED PLAN Hotel			\$15,253,731	27%	\$5,641,791	1.00% \$56,418
	•					<u> </u>
	:				,	TOTAL CITY SHARE OF SALES TAX REVENUE
			PI	REFERRED PLAN		\$555,168

<sup>1/ 1.00%</sup> of taxable sales are returned to the City of Long Beach.

<sup>2/</sup> Represents other revenues from food and beverage, per PKF Consulting industry statistics.

SOURCE: Department of Financial Management, City of Long Beach; PKF Consulting, "Trends in the Hotel Industry, USA"; Robert Charles Lesser & Co., LLC

#### Exhibit II-3

## PROJECTED BUSINESS LICENSE TAX REVENUE PACIFICENTER, LONG BEACH DECEMBER 2003

		·	NUMBER OF E	BUSINESSES	NUMBER OF E	EMPLOYEES	BUSINESS LICER	NSE TAX RATES	TOTA BUSINES
SCENARIO/	PROPOSED	AVERAGE	AVG. SIZE OF	NUMBER OF	SF OR ROOMS/	TOTAL	BASE RATE	RATE PER	LICENSE TA
LAND USE	BUILD-OUT 1/	OCCUPANCY	BUSINESS 2/	BUSINESSES	EMPLOYEE 2/	<b>EMPLOYEES</b>	PER BUSINESS	EMPLOYEE 3/	REVENU
324244M24577550566	##*******	923594212.**(*\\$\ <u>*</u> 9637				Cornerana (Table)	ENERGY AND		1010-1078-1000-1111-1111-1111-110-110-110-110-11
PREFERRED PLAN						•		•	• •
Office	950,000 SF	95%	10,000 SF	. 90	250 SF	3,610	\$259.70	\$20.23	\$96,403
R&D	1,000,000 SF	95%	.15,000 SF	63	425 SF	2,235	\$259.70	\$20.23	\$61,575
Light Industrial	840,000 SF	95%	20,000 SF	40	. 600 SF	1,330	\$259.70	\$6.74	\$19,352
Retail	150,000 SF	95%	5,000 SF	. 29	400 SF	356	\$259.70	\$6.74	\$9,93
Hotel	400 rooms	. 70%	400 rooms	1	0.9 rooms	444	\$259.70	\$13.48	\$6,24
TOTAL			•	223		7,975		Contract of the Contract of th	\$193,500

<sup>1/</sup> See Exhibit I-3 for project build-out.

SOURCE: Business Development Center, City of Long Beach; Robert Charles Lesser & Co., LLC

<sup>2/</sup> RCLCo estimate.

<sup>3/</sup> Rates per Business Development Center based on new rates effective July 1, 2003. The City of Long Beach charges a \$259.70 base rate per business, plus an additional fee per employee, varying from \$6.74 to \$20.23. Assumes Professional Per Employee rate for Office and R&D, Warehouse Per Employee rate for Light Industrial; Services Per Employee rate for Hotel; and Retail Per Employee rate for Retail.

#### Exhibit II-4

#### PROJECTED UTILITY USERS TAX (UUT) REVENUE PACIFICENTER, LONG BEACH DECEMBER 2003

							ELECTRICI	TY 3/				
•					•	PROJECTED ELEC	TRICITY		ESTIMATED (	COSTS		
•	PROP	OSED BUILD-	OUT 1/	PEAK DEMAND	CAPACITY	CONSUMPT	ION	DAILY	DAILY			UTILITY
SCENARIO/ LAND USE		ITS/SF/ DOMS	EST. NO. OF ACCTS.	PEAK DEMAND FACTOR	TOTAL KILOWATT (KW)	CONSUMPTION FACTOR	ANNUAL KILOWATT HOUR (KWH)	SERVICE CHARGE/ ACCOUNT	FACILITIES CHARGE (PER KW)	PER UNIT COST (PER KWH)	TOTAL ANNUAL COST	USERS TAX REVENUE
Utility Users Tax (UUT) Rate 2	y .				-						·	5%
PREFERRED PLAN												4
RESIDENTIAL	Units Persons	2,500 4,784	2,500	2.925 KW/unit	7,313	5,627 KWh/unit/yr	14,067,500	\$0.0250	<del>-</del> ,	\$0.13009	\$1,852,854	\$92,643
COMMERCIAL						and the second second	•			•		
Office	SF	950,000	90	0.0047 KW/SF	4,465	12.95 KWh/5F/yr	12,302,500	\$9.8301	\$0.2170	\$0.11509	\$2,092,443	\$104,622
R&D	SF	1,000,000	63	0.0047 KW/SF	4,700	12.95 KWh/SF/yr	12,950,000	\$9.8301	\$0.2170	\$0.11509	\$2,088,700	\$104,435
Light Industrial	SF .	840,000	40	0.0047 KW/SF	3,948	12.95 KWh/SF/yr	10,878,000	\$9.8301	\$0.2170	\$0.11509	\$1,708,151	\$85,408
Retail	SF	150,000	29	0.0042 KW/SF	630	13.55 KWh/SF/yr	2,032,500	\$1.9825	\$0.1775	\$0.1194	\$304,530	\$15,226
Hotel SUBTOTAL, COMMERCI	Rooms	400	1	4.8 KW/room	1,920	7,960 KWh/room/yr	3,184,000	\$9.8301	\$0.2170	\$0.11509	\$522,099	\$26,105 \$335,796
TOTAL				٠.	•							\$428,439

<sup>1/</sup> See Exhibit I-3 for proposed project build-out. For Residential, assumes one account for each utility per unit. For Commercial, see Exhibit II-3 for estimated number of accounts/business

<sup>2/</sup> Assumes project build-out after 2004. The City's Utility Users Tax Rate will be 5% effective October 1, 2004. For FY98 to FY00, the UUT tax rate was 10%. The UUT rate was reduced to 9% effective October 1, 2000; 8% effective April 1, 2001; 7% effective October 1, 2002; 6% effective October 1, 2003

Project peak demand per PCR. Annual consumption per South Coast Air Quality Management District CEQA Air Quality Handbook (PCR consumption factors used in the EIR represent peak consumption ary yield annual consumption estimates which are higher than typical). Electrical rates per Southern California Edison based on new rates effective June 3, 2001. Residential Daily Service Charge multifamily(\$0.025) rate (unit mix of 100% multifamily). Assumes: General Service Demand rates for Retail, rate is within 300 KW demand; Time-of-Use (TOU) Large Users (> 500KW peak) for Office, Industriand Hotel; average of mid-peak summer and winter rates

<sup>4/</sup> Project usage factors per PCR. Gas rates per Long Beach Energy Department based on new rates effective October 1, 2001. Rates are per Therm: 1 Therm = 1,000 cubic feet x 1.030 heating factor. Gas rate for residential (\$1.073) represents average of Summer (\$0.489) and Winter (\$1.657) rates, per Schedule 1, Billing Code 3 (Basic plus space heating). Retail rate is based on Schedule 2 rates (Small Commercial Industrial) and average of Daily Service Charge and Tiers I, II and III rate. Office, Industrial and Hotel rates are based on Schedule 3 rates (Commercial & Industrial) and average of Tier I, II and III rate

<sup>5/</sup> Project usage factors per PCR. Water rates per Long Beach Water Department based on new rates effective October 1, 2001. Rates are per Billing Unit: 1 Billing Unit = 100 cubic feet = 748 gallons. Wat rates for residential represents Tier II Base Rate. Daily Service Charge assumptions: \$0.255 (3/4-inch service size) for Residential, \$0.385 (1-inch) for Commercial based on median service size non-residential (i.e., non-3/4-inch service size)

<sup>6&#</sup>x27; Residential annual telecommunications expenditures per FCC; represents 2000 estimate, adjusted by 3% inflation factor to 2003 dollars. Assumes monthly mobile telephone bill of \$50. Commercial telephone expenditures based on average communications purchases, per the Benchmark Input-Output Accounts of the U.S. Economy (1992), per FCC, calculated as a percentage of gross receipts. Assumes prope lease represents 5% of total gross receipts.

SOURCE: PCR; Southern California Edison; Long Beach Energy Department; Long Beach Water Department; Department of Financial Management, City of Long Beach; Federal Communications Commission Robert Charles Lesser & Co., LLC

#### Exhibit II-4

#### PROJECTED UTILITY USERS TAX (UUT) REVENUE PACIFICENTER, LONG BEACH DECEMBER 2003

						NATU	RAL GAS 4/			
				PROJECTED	NATURAL GAS		E:	TIMATED COSTS		
				CONS	UMPTION		DAILY			UTILITY
	PR	OPOSED BUILD	O-OUT 1/		ANNUAL		SERVICE	PER UNIT	TOTAL	USERS
CENARIO/ LAND USE		ITS/SF/ OMS	EST. NO. OF ACCOUNTS	CONSUMPTION FACTOR	CUBIC FEET	THERM	CHARGE/ ACCOUNT	COST (PER THERM)	ANNUAL COST	TAX REVENUE
Jtility Users Tax (UUT) Rate 2/										5%
REFERRED PLAN										
RESIDENTIAL	Units Persons	2,500 4,784	2,500	4,011.5 cu. ft./unit/mo.	120,345,000	123,955	\$0.1644	\$1.0730	\$283,019	\$14,15
COMMERCIAL		•				•				1.
Office	SF	'950,000	90	2.0 cu, ft./SF/mo.	22,800,000	23,484	\$0.4932	\$0.2184	\$21,331	\$1,06
R&D	SF	1,000,000	63	2.0 cu. ft./SF/mo.	24,000,000	24,720	\$0.4932	\$0.2184	\$16,740	\$837
Light Industrial	SF	840,000	40	2.0 cu. ft./SF/mo.	20,160,000	20,765	\$0.4932	\$0.2184	\$11,736	\$587
Retail	SF	150,000	29	2.9 cu. ft./SF/mo.	5,220,000	5,377	\$0.4110	\$0.2184	\$5,525	\$276
Hotel	Rooms	400	1	3,840.0 cu. ft./room/mo.	18,432,000	18,985	\$0.4932	\$0.2184	\$4,326	\$216
SUBTOTAL, COMMERCIAL						•				\$2,983
TOTAL										\$17,134

SOURCE: PCR; Southern California Edison; Long Beach Energy Department; Long Beach Water Department; Department of Financial Management, City of Long Beach; Federal Communications Commission Robert Charles Lesser & Co., LLC

<sup>1/</sup> See Exhibit I-3 for proposed project build-out. For Residential, assumes one account for each utility per unit. For Commercial, see Exhibit II-3 for estimated number of accounts/business

<sup>2/</sup> Assumes project build-out after 2004. The City's Utility Users Tax Rate will be 5% effective October 1, 2004. For FY98 to FY00, the UUT tax rate was 10%. The UUT rate was reduced to 9% effective October 1, 2000; 8% effective April 1, 2001; 7% effective October 1, 2002; 6% effective October 1, 2003

J Project peak demand per PCR. Annual consumption per South Coast Air Quality Management District CEQA Air Quality Handbook (PCR consumption factors used in the EIR represent peak consumption ary yield annual consumption estimates which are higher than typical). Electrical rates per Southern California Edison based on new rates effective June 3, 2001. Residential Daily Service Charge multifamily(\$0.025) rate (unit mix of 100% multifamily). Assumes: General Service Demand rates for Retail, rate is within 300 KW demand; Time-of-Use (TOU) Large Users (> 500KW peak) for Office, Industriand Hotel; average of mid-peak summer and winter rates

<sup>4/</sup> Project usage factors per PCR. Gas rates per Long Beach Energy Department based on new rates effective October 1, 2001. Rates are per Therm: 1 Therm = 1,000 cubic feet x 1.030 heating factor. Gas rat for residential (\$1.073) represents average of Summer (\$0.489) and Winter (\$1.657) rates, per Schedule 1, Billing Code 3 (Basic plus space heating). Retail rate is based on Schedule 2 rates (Small Commercial Industrial) and average of Daily Service Charge and Tiers I, II and III rate. Office, Industrial and Hotel rates are based on Schedule 3 rates (Commercial & Industrial) and average of Tier I, II and III rate

<sup>5/</sup> Project usage factors per PCR. Water rates per Long Beach Water Department based on new rates effective October 1, 2001. Rates are per Billing Unit: 1 Billing Unit = 100 cubic feet = 748 gallons. Water rates for residential represents Tier II Base Rate. Daily Service Charge assumptions: \$0.255 (3/4-inch service size) for Residential, \$0.385 (1-inch) for Commercial based on median service size non-residential (i.e., non-3/4-inch service size)

<sup>6</sup> Residential annual telecommunications expenditures per FCC; represents 2000 estimate, adjusted by 3% inflation factor to 2003 dollars. Assumes monthly mobile telephone bill of \$50. Commercial telephone expenditures based on average communications purchases, per the Benchmark Input-Output Accounts of the U.S. Economy (1992), per FCC, calculated as a percentage of gross receipts. Assumes proper lease represents 5% of total gross receipts.

#### Exhibit II-4

#### PROJECTED UTILITY USERS TAX (UUT) REVENUE PACIFICENTER, LONG BEACH DECEMBER 2003

							W	/ATER 5/			
			,		PROJE	CTED WATER		ES.	TIMATED COSTS		
					CON	ISUMPTION		DAILY			UTILITY
		PRO	OPOSED BUILI	D-OUT 1/		ANNUA	\L	SERVICE	PER UNIT	TOTAL	USERS
SCENARIO/ LAND USE			ITS/SF/ OOMS	EST. NO. OF ACCOUNTS	CONSUMPTION FACTOR	GALLONS	BILLING UNIT (BU)	CHARGE/ ACCOUNT	COST (PER BU)	ANNUAL COST	TAX REVENUE
Utility Users Tax (UUT) R	Rate 2/			•						25	5%
PREFERRED PLAN					•		2.5				
RESIDENTIAL	. '	 Units Persons	2,500 4,784	2,500	120 gal/person/day	574,080	767	\$0.2550	\$1.535	\$233,865	\$11,693
COMMERCIAL			1,7.0.					200	•	+	
Office		SF	950,000	90	200 gal/1,000 sf/day	69,350,000	92,714	\$0.3850	\$1.535	\$154,963	\$7,748
R&D		SF	1,000,000	63	200 gal/1,000 sf/day	73,000,000	97,594	\$0.3850	\$1.535	\$158,660	\$7,933
Light Industrial		SF	840,000	40	200 gal/1,000 sf/day	61,320,000	81,979	\$0.3850	\$1.535	\$131,459	\$6,573
Retail		SF	150,000	. 29	200 gal/1,000 sf/day	10,950,000	14,639	\$0.3850	\$1.535	\$26,546	\$1,327
Hotel SUBTOTAL, COMA	MERCIAL	Rooms	400	1	150 gal/room/day	21,900,000	29,278	\$0.3850	\$1.535	\$45,082	\$2,254 \$25,836
TOTAL						· .					\$37,529

1 Preferred Plan 11.03 Exhibit II-4

<sup>1/</sup> See Exhibit I-3 for proposed project build-out. For Residential, assumes one account for each utility per unit. For Commercial, see Exhibit II-3 for estimated number of accounts/business

<sup>2/</sup> Assumes project build-out after 2004. The City's Utility Users Tax Rate will be 5% effective October 1, 2004. For FY98 to FY00, the UUT tax rate was 10%. The UUT rate was reduced to 9% effective October 1, 2000; 8% effective April 1, 2001; 7% effective October 1, 2002; 6% effective October 1, 2003

<sup>3/</sup> Project peak demand per PCR. Annual consumption per South Coast Air Quality Management District CEQA Air Quality Handbook (PCR consumption factors used in the EIR represent peak consumption ary yield annual consumption estimates which are higher than typical). Electrical rates per Southern California Edison based on new rates effective June 3, 2001. Residential Daily Service Charge multifamily(\$0.025) rate (unit mix of 100% multifamily). Assumes: General Service Demand rates for Retail, rate is within 300 KW demand; Time-of-Use (TOU) Large Users (> 500KW peak) for Office, Industriand Hotel; average of mid-peak summer and winter rates

<sup>4/</sup> Project usage factors per PCR. Gas rates per Long Beach Energy Department based on new rates effective October 1, 2001. Rates are per Therm: 1 Therm = 1,000 cubic feet x 1.030 heating factor. Gas rat for residential (\$1.073) represents average of Summer (\$0.489) and Winter (\$1.657) rates, per Schedule 1, Billing Code 3 (Basic plus space heating). Retail rate is based on Schedule 2 rates (Small Commercial Industrial) and average of Daily Service Charge and Tiers I, II and III rate. Office, Industrial and Hotel rates are based on Schedule 3 rates (Commercial & Industrial) and average of Tier I, II and III rate.

<sup>5/</sup> Project usage factors per PCR. Water rates per Long Beach Water Department based on new rates effective October 1, 2001. Rates are per Billing Unit: 1 Bill

<sup>6&#</sup>x27; Residential annual telecommunications expenditures per FCC; represents 2000 estimate, adjusted by 3% inflation factor to 2003 dollars. Assumes monthly mobile telephone bill of \$50. Commercial telephone expenditures based on average communications purchases, per the Benchmark Input-Output Accounts of the U.S. Economy (1992), per FCC, calculated as a percentage of gross receipts. Assumes propelease represents 5% of total gross receipts.

SOURCE: PCR; Southern California Edison; Long Beach Energy Department; Long Beach Water Department; Department of Financial Management, City of Long Beach; Federal Communications Commission Robert Charles Lesser & Co., LLC

#### Exhibit II-4

#### PROJECTED UTILITY USERS TAX (UUT) REVENUE PACIFICENTER, LONG BEACH DECEMBER 2003

•				· -	- ES	TELEPHON TIMATED COSTS	E 6/ .	· · · · · · · · · · · · · · · · · · ·	
SCENARIO/ LAND USE		UN	OPOSED BUILD IITS/SF/ DOMS	D-OUT 1/ EST. NO. OF ACCOUNTS	PER RESIDENTIAL UNIT COST	COMM. EXPEND. AS PERCENT OF OUTPUT	TOTAL ANNUAL COST	UTILITY USERS TAX REVENUE	TOTAL UTILITY USERS TAX REVENUE, ALL UTILITIES
Utility Users Tax (UUT) Rate 2/								5%	
PREFERRED PLAN		•					•	4	
RESIDENTIAL  COMMERCIAL		Units Persons	2,500 4,784	2,500	\$1,426	<u>-</u>	\$3,565,254	\$178,263	\$296,750
Office		SF	950,000	90	· · · · ·	1.00%	\$2,924,100	\$146,205	\$259,642
R&D		SF	1,000,000	63		1.00%	\$2,280,000	\$114,000	\$227,205
Light Industrial	•	SF	840,000	40		0.60%	\$632,016	\$31,601	\$124,168
Retail		SF	150,000	29	· · · · · · · · · ·	0.95%	\$601,065	\$30,053	\$46,883
Hotel SUBTOTAL, COMMERCIAL TOTAL	• •	Rooms	400	1	-	1.30%	\$3,965,970	\$198,299 \$520,158 \$698,420	\$226,874 \$884,772 \$1,181,522

SOURCE: PCR; Southern California Edison; Long Beach Energy Department; Long Beach Water Department; Department of Financial Management, City of Long Beach; Federal Communications Commission Robert Charles Lesser & Co., LLC

<sup>1/</sup> See Exhibit I-3 for proposed project build-out. For Residential, assumes one account for each utility per unit. For Commercial, see Exhibit II-3 for estimated number of accounts/businesss

<sup>2/</sup> Assumes project build-out after 2004. The City's Utility Users Tax Rate will be 5% effective October 1, 2004. For FY98 to FY00, the UUT tax rate was 10%. The UUT rate was reduced to 9% effective Octobe 1, 2000; 8% effective April 1, 2001; 7% effective October 1, 2002; 6% effective October 1, 2003

<sup>3/</sup> Project peak demand per PCR. Annual consumption per South Coast Air Quality Management District CEQA Air Quality Handbook (PCR consumption factors used in the EIR represent peak consumption ary yield annual consumption estimates which are higher than typical). Electrical rates per Southern California Edison based on new rates effective June 3, 2001. Residential Daily Service Charge multifamily(\$0.025) rate (unit mix of 100% multifamily). Assumes: General Service Demand rates for Retail, rate is within 300 KW demand; Time-of-Use (TOU) Large Users (> 500KW peak) for Office, Industri and Hotel; average of mid-peak summer and winter rates

<sup>4/</sup> Project usage factors per PCR. Gas rates per Long Beach Energy Department based on new rates effective October 1, 2001. Rates are per Therm: 1 Therm = 1,000 cubic feet x 1.030 heating factor. Gas rat for residential (\$1.073) represents average of Summer (\$0.489) and Winter (\$1.657) rates, per Schedule 1, Billing Code 3 (Basic plus space heating). Retail rate is based on Schedule 2 rates (Small Commercial Industrial) and average of Daily Service Charge and Tiers I, II and III rate. Office, Industrial and Hotel rates are based on Schedule 3 rates (Commercial & Industrial) and average of Tier I, II and III rate

<sup>5/</sup> Project usage factors per PCR. Water rates per Long Beach Water Department based on new rates effective October 1, 2001. Rates are per Billing Unit: 1 Billing Unit = 100 cubic feet = 748 gallons. Wat rates for residential represents Tier II Base Rate. Daily Service Charge assumptions: \$0.255 (3/4-inch service size) for Residential, \$0.385 (1-inch) for Commercial based on median service size non-residential (i.e., non-3/4-inch service size)

<sup>6/</sup> Residential annual telecommunications expenditures per FCC; represents 2000 estimate, adjusted by 3% inflation factor to 2003 dollars. Assumes monthly mobile telephone bill of \$50. Commercial telepho expenditures based on average communications purchases, per the Benchmark Input-Output Accounts of the U.S. Economy (1992), per FCC, calculated as a percentage of gross receipts. Assumes proper lease represents 5% of total gross receipts.

#### Exhibit II-5

## PROJECTED TRANSIENT OCCUPANCY TAX (TOT) REVENUE PACIFICENTER, LONG BEACH DECEMBER 2003

•						
SCENARIO/	· · · · · · · · · · · · · · · · · · ·		<b>AVERAGE DAILY</b>	• •	TOTAL ANNUAL	TOTAL TOT
LAND USE		ROOMS	ROOM RATE (ADR)	OCCUPANCY	<b>ROOM REVENUE</b>	REVENUE 1/
T. N. Talentine All D. A. Cleaners C.	TO A CONTROL OF THE PARTY OF TH				CHICAGA AN CANADANA NA	Cartin Straighteacht i Straighean an 19
PREFERRED PLAN						12.0%
Hotel		. 400	\$100	70%	\$10,220,000	\$1,226,400

1/ The City's Transient Occupancy Tax (TOT) rate is 12% of Total Room Revenues.

SOURCE: Department of Financial Management, City of Long Beach; Robert Charles Lesser & Co., LLC

#### Exhibit II-6

## PROJECTED REVENUE FROM MISC. TAXES AND CHARGES PACIFICENTER, LONG BEACH DECEMBER 2003

SCENARIO	POPULATION	MOTOR VEHICLE IN-LIEU TAX	LIBRARY PENALTIES	TOTAL
PREFERRED PLAN Per Capita Revenue Factor 1/		\$70.19	\$0.51	
Total Population, Pacificenter 2/	4,784			
TOTAL		\$335,777	\$2,442	\$338,219

SOURCE: Department of Financial Management, City of Long Beach; California Department of Finance; Robert Charles Lesser & Co., LLC

<sup>1/</sup> Per Capita factor for Motor Vehicle In-Lieu based on FY03 per capita estimates. Per Capita factor for Library Penalties based on FY01 per capita estimates.

<sup>2/</sup> Estimated population at build-out. See Exhibit I-4 for population estimates.

#### Exhibit III-1

## TOTAL PROJECTED ANNUAL EXPENDITURES – PREFERRED PLAN MARGINAL COST APPROACH PACIFICENTER, LONG BEACH DECEMBER 2003

CITY OF LONG BEACH DEPARTMENTS	SERVICE REQUIREMENTS 1/	RESIDENTIAL	COMMERCIAL	TOTAL
FIRE DEPARTMENT				
Operations	One truck company (See Exhibit III-2).	\$43,056	\$51,888	\$94,944
	0.5 Inspector Position, Fire Prevention @ \$110,000 per year for a full-time inspector;	\$23,109	\$31,891	\$55,000
	distributed based upon proportion of planned residential and commercial acreage.			
	Estimated 550 annual request calls @ \$1,071 per call; subtract operating cost for additional truck company; distributed based upon proportion of planned residential and commercial acreage.	\$204,444	\$289,662	\$494,106
Capital Outlays	One truck company and equipment @ \$975,000; replacement every 15 years;			÷
	allocated to 1/5th of City's land area; PacifiCenter represents 6.4% of that portion;			
	distributed based upon proportion of planned residential and commercial acreage.	\$1,747	\$2,411	\$4,158
TOTAL, FIRE DEPARTMENT		\$272,356	\$375,852	\$648,208
POLICE DEPARTMENT 2/			100	
Operations	6 Officers @ \$84,000 each	\$504,000		\$504,000
Sp. Carlotte	2 Motorcycle Officers @ \$84,000 each	\$168,000		\$168,000
·	1 Sergeant @ \$98,000 each	\$98,000		\$98,000
	Annual maintenance per police vehicle @\$11,000 each; total of 2.4 police vehicles	\$26,400	•	\$26,400
*	Annual maintenance per sergeant's vehicle @ \$17,400; total of one vehicle	\$17,400		\$17,400
*	Annual maintenance per motorcycle @ \$10,800 each; total of two motorcycles	\$21,600	•	\$21,600
	Annual maintenance for radios @\$500 each; total of eight radios	\$4,000		\$4,000
Capital Outlays, Annualized	2.4 Police Cars (one per 2.5 officers) @ \$44,000 each; replacement every four years	\$26,400		\$26,400
•	One sergeant's vehicle @ \$87,600; replacement every four years	\$21,900	- •	\$21,900
	Two motorcycles @ \$26,100 each; replacement every five years	\$10,440		\$10,440
	Two bicycles @ \$1,500 each; replacement every four years	\$750		\$750
	8 hand-held radios @\$2,580; replacement every four years	\$5,160	·	\$5,160
TOTAL, POLICE DEPARTMENT		\$904,050	\$0 <u> </u>	\$904,050
LIBRARY				
Operations	Workload increase at Bach Library @ 15% (Bach Library population increase) of \$608,000 Bach Library operations budget	\$90,700	•	\$90,700
Capital Outlays	Expanded book collection @ 2.1 items per capita, \$30 per title; replacement every ten years	\$31,700	·	. \$31,700
TOTAL, LIBRARY		\$122,400	\$0	\$122,400

1 Preferred Plan 11.03 Exhibit III-1

01-8222.14

Printed: 11/26/2003

#### Exhibit III-1

## TOTAL PROJECTED ANNUAL EXPENDITURES – PREFERRED PLAN MARGINAL COST APPROACH PACIFICENTER, LONG BEACH DECEMBER 2003

CITY OF LONG BEACH DEPARTMENTS	SERVICE REQUIREMENTS 1/	RESIDENTIAL	COMMERCIAL	TOTAL
PARKS, RECREATION & MARIN	E			
Operations	Recreation Services @ \$22 per resident	<b>\$105,248</b>	•	\$105,248
	Maintenance Operations @ \$12 per resident	\$57,408		\$57,408
	Departmental Support \$ \$7 per resident	\$33,488		\$33,488
Capital Outlays	PacifiCenter funds all park development and open space	455,.00	•	\$0
TOTAL, PARKS, RECREATION		\$196,144	\$0	\$196,144
		\$150,144	#0 ∟_	₩130,1 <del>44</del>
PUBLIC WORKS			•	
Operations	Decorative street maintenance: @ \$0.168 per sq ft per year of street surface	\$93,643	\$90,445	\$184,089
	(curb-to-curb, 20% higher than regular paving); 557,400 sf for residential and 538,365 sf for commercial.	, , , , , ,		<b>V</b> 10 1,000
•	Street painting: \$0.33 per sf of painted lines with a two-year lifespan; \$1.00 per	\$11,504	\$6,319	\$17,823
	sf for thermoplastic with a 6-year lifespan; 34,686 sf for residential, 19,052 sf for commercial.		Ψ0,515	\$17,023
•	Sidewalk maintenance: @ \$0.28 per sf per year; 139,000 sf for residential	\$38,920	\$32,690	\$71,610
•	and 116,750 sf for commercial.	700,020	<b>432,030</b>	<b>\$7.1,010</b>
	Signalization: three new four-way signalized intersections (2 on-site, 1	\$6,770	\$9,343	\$16,113
	off-site) and two existing intersections that would be modified; 30-year life;	*****	45,5.5	<b>\$</b> .0,7.5
	maintenance for each is \$2,000; \$1,000 per meter annually for power; plus		•	
	\$56 per year in energy costs for safety lighting; distributed based upon	•		
	proportion of planned residential and commercial acreage.			
	Street lights: \$42 per light per year plus \$56 per year in energy costs;	\$8,768	\$12,099	\$20,867
•	replacement cost of \$1,500 with a lifespan of 40 years; 154 street lights;		•	
	distributed based upon proportion of planned residential and commercial acreage.	•		
	Street signage maintenance: 380 stop and traffic signs @ \$100 per sign and	\$1,597	\$2,203	\$3,800
	post with a 10-year lifespan; distributed based upon proportion of planned			
	residential and commercial acreage.			
Capital Outlays	PacifiCenter funds all street improvements, signalization, signs, and street lights.	\$0	\$0	\$0
TOTAL, PUBLIC WORKS		\$161,202	\$153,100	\$314,302
TOTAL EXPENDITURES		\$1,656,152	\$528,952	\$2,185,104
RECURRING EXPENDITURES		\$1,547,691	\$512,238	\$2,059,929
ANNUALIZED CAPITAL OUT	LAYS	\$98,097	\$2,411	\$100,508

NOTE: Acreage distribution between residential and commercial is as follows:

1/ All costs based on interviews with various staff members representing each of the above departments.

2/ Assumes 100% of Police Department cost is generated by residential development.

SOURCE: Various department personnel of the City of Long Beach; Robert Charles Lesser & Co., LLC

ACREAGE	PREFERRED
DISTRIBUTION	PLAN
Residential	42%
Commercial	58%

1 Preferred Plan 11.03 Exhibit III-1

#### Exhibit III-2

#### FIRE DEPARTMENT – MARGINAL COST APPROACH PACIFICENTER, LONG BEACH DECEMBER 2003

BUDGET ITEM	ANNUAL COSTS	COMMERCIAL LAND USE	RESIDENTIAL LAND USE	PER RESIDENT
RUCK LADDER ENGINE Incremental Impact Addition of one truck con	npany at an operations cos	it of \$1,400,000 per year. The	e additional truck company w	vould bring
the City's current inventory of four to a total of f			· · · · · · · · · · · · · · · · · · ·	
		\$2,775,000 \$376	\$4,225,000 \$376	\$9

LAND USE AND DEVELOPMENT ASSUMPTIONS					
LAND USE	CITY	PACIFICENTER PREFERRED PLAN			
Commercial (Acres)	7,375	138			
Residential (Acres)	11,229	100			
Total (Acres)	18,604	238			
Population	481,000	4,784			

Note: City totals 33,825 acres of which 18,604 acres are considered private and thus property-tax paying. The remainder consists of airport, open space, and private and public right-of-ways.

SOURCE: City of Long Beach, "Disposition of Vacant Land, 2001"; City of Long Beach Fire Department; Robert Charles Lesser & Co., LLC

#### Exhibit III-3

#### TOTAL PROJECTED ANNUAL EXPENDITURES – PREFERRED PLAN AVERAGE COST APPROACH PACIFICENTER, LONG BEACH DECEMBER 2003

. •	·	CITY-WIDE  RESIDENTIAL LAND USE COMMERCIAL LAND USE					PACIFICENTER PREFERRED PLAN		
	FY 2003		PER		PER		RESIDENTIAL	COMMERCIAL	
BUDGET ITEM	COSTS	TOTAL	RESIDENT	TOTAL	ACRE	TOTAL	LAND USE	LAND USE 1/	
General Government 2/	\$67,245,386	\$40,583,599	\$84	\$26,661,787	\$3,614	\$845,749	\$401,856	\$443,893	
Fire	\$63,804,851	\$38,507,184	\$80	\$25,297,667	\$3,429	\$803,902	\$382,720	\$421,182	
Police	\$141,993,827	\$85,695,404	\$178	\$56,298,423	\$7,632	\$1,788,867	\$851,552	\$937,315	
Community Development	\$2,075,667	\$1,252,696	\$3	\$822,971	\$112	\$28,054	\$14,352	\$13,702	
Planning and Building	\$10,824,513	\$6,532,756	\$14	\$4,291,757	\$582	\$138,430	\$66,976	\$71,454	
Library 3/	\$11,375,188	\$11,3 <i>7</i> 5,188	\$24	\$0	\$0	\$114,816 ~	\$114,816	\$0	
Health & Human Services 3/	\$4,526,454	\$4,526,454	\$9	\$0	\$0	\$43,056	\$43,056	\$0	
Parks, Recreation and Marine 3/	\$26,958,658	\$26,958,658	\$56	\$0	<b>\$</b> 0	\$267,904	\$267,904	\$0	
Public Works	\$30,701,834	\$18,529,017	- \$39	\$12,172,81 <i>7</i>	\$1,650	\$389,242	\$186,576	\$202,666	
Long Beach Energy	\$5,706,957	\$3,444,234	\$7	\$2,262,723	\$307	\$71,160	\$33,488	\$37,672	
TOTAL	\$365,213,335	\$237,405,190	\$494	\$127,808,145	\$17,325	\$4,491,180	\$2,363,296	\$2,127,884	

LAND USE	CITY	PACIFICENTER PREFERRED PLAN
Commercial (Acres)	7,377	138
Residential (Acres)	11,229	100
Total (Acres)	18,606	238
Population	481,000	4,784

<sup>1/</sup> Applied to net acres at Pacificenter. Net-to-gross acre relationship is 89%.

<sup>2/</sup> Includes Mayor and Council, Attorney, Auditor, Clerk, Manager, Prosecutor, Financial Management, Interfund and Non-Operating, Police and Fire Pension Plan, Human Resources and Technology.
3/ These departments have primarily a resident orientation.

SOURCE: City of Long Beach, "Adopted Resource Allocation Plan, Fiscal Year 2003"; Robert Charles Lesser & Co., LLC